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Mead, Commissioner P. P. Claxton, John Barrett, John R. Mott, President T. F. Crane, the officers of the Federation, the Cornell Cosmopolitan Club, Mr. Nasmyth, President Wilson, Secretary Bryan, Mr. Locsin, etc., etc.)

Commercial Rivalry and International Relations.

By Norman Angell.

The idea of nations as rival commercial units, as competing trading corporations, is accepted in our daily speech and thought as a quite obviously true and sound idea. Even among pacifists we often hear expressed the hope that the brutal conflict of war is to be replaced by the friendly and bloodless conflict of trade, the competition of armament by the competition of industry. We hear that England is losing her "commercial predominance" by reason of the competition of foreign nations in the markets of the world; from others that Europe as a whole is threatened by the growing efficiency of American competition; from others, again, that we stand in danger of industrial annihilation by the cheap labor of the East.

Now, not merely are these phrases and the mental picture of competing and conflicting units or groups which they conjure up the common currency of uninformed chatter or ill-informed newspaper writing on international politics and economics, but they are to be found unchallenged, unexcused, and unqualified in books of very considerable economic pretension. "At the bottom of international rivalry is the fact of the necessary conflict of rival competitors for the trade of the world—at bottom is the struggle for bread." And Admiral Mahan assures us that the struggle for territory between nations is justified economically by the fact that just as the Steel Trust has an advantage in owning its own ore fields, its source of raw material, so a country has an advantage in owning colonies and conquered provinces. We see exactly the same thought!

A nation, like a Steel Trust, is a commercial corporation.

Well, of course a moment's reflection shows us that the analogy is an absolutely false one; that these pictures of nations as rival units competing one against the other bear no sort of resemblance to the facts.

To begin with, the nations, except in so far as the carrying of letters and in some cases the manufacture of matches and tobacco are concerned, are not commercial corporations at all, but political and administrative ones, with functions of a like kind, though different in degree, to those possessed by our villages, towns, or departments; and "Germany" no more competes with "England" than Berlin with Frankfurt. It is not the State which owns and exploits the ore fields, or farms, or factories in the way that the Steel Trust owns its source of raw material. The State merely polices and guarantees possession to the real owners, the shareholders, who may be foreigners. The mere fact that the area of political administration should be enlarged or contracted by the process which we call conquest has little more direct bearing upon such economic questions as the ownership

of raw material by the populations concerned than would the enlargement of a town's area by the inclusion of outlying suburbs have upon the citizens of such towns. It is, of course, conceivable that they, or some, might incidentally gain, or incidentally lose, but an increase of wealth is no necessary consequence of the increase of municipal territory, or else it would be true to say: "The people of Toulouse are of course wealthier than the people of Tours," or those of Berlin than those of Frankfurt. We know, of course, that we cannot determine the wealth of a person by the size of the town in which he lives. The largeness of the administrative area may be incidentally a distinct economic disadvantage as much in the case of a city as in the case of a country.

But the foregoing is only one small part of the fallacy of approximating a nation to a commercial firm. Not merely is it untrue to represent the nation as carrying on trade against other nations, untrue to represent the State as a corporation carrying on the trade of its people, but it is just as untrue to represent the nations as economic units in the field of international trade. We talk and think of "German trade" as competing in the world with "English trade," and we have in our mind that what is the gain of Germany is the loss of England, or *vice versa*. It is absolutely untrue. There is no such conflict—no such thing as "English" trade or "German" trade in this sense. An ironmaster of Birmingham may have his trade taken away by the competition of an ironmaster in Essen, just as he may have it taken away by one in Glasgow, or Belfast, or Pittsburgh; but in the present condition of the division of labor in the world it would be about as true to speak of Britain suffering by the competition of Germany as it would be to talk of light-haired people suffering by the competition of the dark-haired people, or of the fact that those who live in houses with even numbers are being driven out of business by those who live in odd-numbered houses. Such delimitations do not mark the economic delimitations; the economic function cuts athwart them; the frontiers of the two do not coincide.

When we talk of "German" trade in the international field, what do we mean? Here is the ironmaster in Essen making locomotives for a light railway in an Argentine province (the capital for which has been subscribed in Paris), which has become necessary because of the export of wool to Bradford, where the trade has developed owing to sales in the United States due to high prices produced by the destruction of sheep runs owing to the agricultural development of the West. But for the money found in Paris (due perhaps to good crops in wine and olives sold mainly in London and New York) and the wool needed by the Bradford manufacturer (who has found a market for blankets among miners in Montana, who are smelting copper for a cable to China, which is needed because the encouragement given to education by the Chinese Republic has caused Chinese newspapers to print cable news from Europe)—but for such factors as these, and a whole chain of equally interdependent ones throughout the world, the ironmaster in Essen would not have been able to sell his locomotives. How, therefore, can you describe it as a part of the trade of "Germany" which is in competition with the trade of "England" or "France" or "America"? But for the English, French, and American trade it could not have existed at all. You may say

* A paper submitted to the Twentieth Universal Peace Congress at The Hague, but not read by the author, who was absent.

that if the Essen ironmaster could have been prevented from selling his locomotives the trade would have gone to an English one. But this communing of German workmen called into existence by the Argentine trade maintains by its consumption of coffee a plantation in Brazil which buys its machinery in Sheffield. The destruction, therefore, of the Essen trade, while it might have given business to the English locomotive-maker, would have taken it from, say, an English agricultural implement-maker. The economic interests involved sort themselves irrespective of the national groupings.

The notion that it is the nations and not the trades which are the rival economic units can be put to a very simple test, the test of progression. "England" (adopting for the moment the ruling classification) has admittedly the greatest interest in foreign trade, and it is she who is supposed to be feeling most keenly the competition of rivals. Now suppose that by some magic she could annihilate all these rivals—Germany, the United States, Austria, France, all of them—sink them beneath the sea. Would England be the richer? She would be faced not merely by bankruptcy, but by the starvation of millions of her population. Something like a third of it would actually die for want of food.

What, of course, we fail to realize in this connection is that trade is necessarily exchange; if we are to sell anything to any one, the buyer must have money. He can only obtain that money by selling something. If we do not sell, we cannot buy; and so when you come to the complex groups embracing all sorts of trades and industries which our modern nations represent, each must, in order to be a customer, be also a competitor. Roughly, and largely in the European nations, he is a customer to the extent that he is a competitor. It is a noteworthy fact, the full significance of which I have not space to deal with now, that it is precisely those nations which most resemble one another in their industrial make-up that are mutually the best customers. England sells more per head of population to Belgium, a highly industrialized nation, than to Canada or Russia, mainly agricultural nations.

What, however, I am dealing with here is not an ignorance of certain statistical facts, or a failure to understand certain obscure points in economics, not with the use of mere loose language, but with a fundamentally untrue conception, a false picture of the nation in its relation to the economic activities of its people.

Quite a number of books, large, fat books, with imposing columns of statistics, have recently been written in England to prove that Germany must go to war with England in order to conquer the English colonies for the purpose of feeding the increasing German population. War is inevitable, one of the authors in question tells us, because it represents the "struggle for bread" among nations. Since the population of Germany is increasing at the rate of a million souls a year, she needs Canadian wheat and Australian wool in order to feed and clothe them, and must consequently fight.

Well, it is quite obvious, of course, that the German can have the wheat and wool of Canada and Australia now by paying for them; and if Germany were to conquer both Canada and Australia, Germans would still have to pay for them, since slavery and serfdom are now obsolete, just as they do now. It is quite evident that the fact of the political acquisition of these territories would not alter in any way the problem of feeding the

population of Germany. In exactly the same way the Englishman thinks that in some way he could check German competition in commerce by destroying the German navy and reducing her political influence. But it is equally evident that although Germany might not possess a single battleship there would be 65,000,000 of men, women, and children still left to go on working with their hands and brains, so that their competition would commercially be as great a factor as ever.

One of the authors to whom I have referred declares boldly that if Germany could obtain control of the sea she would not allow the English people to sell anything, but only to buy; whereas, of course, as I have already explained, it is quite obvious that if Lancashire were not allowed to sell its goods it could not buy anything whatever, German or other. The South American or Chinese village which is buying English agricultural implements is doing so because its foodstuffs are sold in England; but if Germany destroys the industries of England the population supported by those industries cannot purchase the foodstuffs of the South American or Chinese village, and the means by which the latter finds money to purchase manufactured goods, German or other, are destroyed.

At bottom, all this is most elementary, and I might be charged with something like impertinence in dwelling at some length upon obvious truisms, but they are the truisms which the common thought of our time neglects. For one thing, their truth has a much more direct bearing upon policy than it has ever had before. While the condition of interdependence indicated in the illustrations I have given has been a political theory in certain circles for a century, it is only quite recently that it has become a factor vitally affecting international statecraft.

Forty years ago all statesmen, save perhaps those of England, could have ignored it with impunity. At the time of the Franco-German war Germany was self-sufficing. Bismarck was credited (probably falsely) with the desire to see France disappear as an economic factor in European life. Had his aim been accomplished, he would have rendered impossible much of the industrial expansion of modern Germany. For this expansion in large part is due to the development of such countries as Russia and South America; and that development has been achieved largely with French money, since France, having no increasing population to provide for, has free for foreign investment capital which in other countries is absorbed by the up-bringing of children and their establishment in life. But just as the policy of German statesmen, could it have succeeded, would have been fatal to their country's prosperity, so in like manner French statesmen have seen their efforts nullified by the force of facts which they failed to realize. French policy after the war aimed at fortifying Russia in order to offset the influence of Germany, and with this end in view encouraged the investment of French money in Russia, with, however, this result: German trade therein has expanded from 15 to 45 per cent. Germany dominates Russia commercially, thanks to French money, and thanks to the very policy which was directed against her!

The same factors have borne just as directly upon English foreign policy. They played what was probably a dominating rôle in determining the course of

action of the power with which it happened to be in conflict in the summer of 1911 (in the Morocco affair). That the dependence of German industry upon general European financial security—the fact that grave credit disturbance would shake it to its foundations—weighed very heavily in determining German policy in August of that year is certain; that it was the decisive factor is likely—the interests threatened by disturbance were so evidently more important than the interests which the disturbance was intended to promote. Again, it is important to note that even the German statesman had not spontaneously recognized the facts; it needed the direct intervention of leaders of German finance for the German Foreign Minister to realize fully the extent of the interests endangered.

The importance of such a fact is not that the policy of this or that minister, or of this or that country, may have missed fire, but that the misunderstandings which have imposed a very heavy burden, not upon one country in Europe, but upon all, are due to just this condition of ignorance, that there can be no permanent solution of what are the most insistent and pressing problems of our time, no advance toward a better general condition, until the facts are better understood in Europe than they have been hitherto.

It is admitted, for instance, that there is a grave risk of England and Germany drifting into conflict, not owing to a real collision of interest, but from general mistrust and misunderstanding, a failure on the part of each to realize what the other might or might not do, each attributing to the other intentions, the execution of which would, even a cursory examination reveals, be preposterous and futile. Ninety-nine hundredths of the jealousy, bitterness, and ill feeling which marks international policies is due not to facts at all, but to our misunderstanding of them, our failure to see them as they are. A better realization of the quite simple truth, a realization which does not necessarily imply any special or technical economic knowledge, but rather a liberation from the hypnotism of false or obsolete theories and misleading analogies by the general public opinion of Europe, will assuredly be an outstanding factor—I think the determining one—in that progress of European society which it is the special work of pacifists to make possible.

Peace Work in North Carolina.

By J. J. Hall.

Hendersonville is a favorite resort for many persons during the months of July and August. Our North Carolina State secretary invited us to attend a great Chautauqua gathering at which the Hon. W. J. Bryan was to make a speech, and there address the people on the subject of the "World's Peace." The attendance was very large, and we had the pleasure of introducing Mr. Bryan to the audience and delivering an address in behalf of "Universal Peace." At night we preached at the Baptist Church, on the subject of "The Prince of Peace." We found many friends for the cause in this beautiful town, and enrolled a good list of members for the State society. We were at Hendersonville July 11-18.

GUILFORD COLLEGE.

One of the most delightful spots in North Carolina is Guilford College. The ground itself is historic. The

Friends could not have made a better selection for their great educational work in the South than is to be found here—four hundred acres of the best of land, with magnificent oaks and many kinds of trees, just a few miles away from Greensboro. Splendid buildings adorn these grounds, some of which deserve special mention. The college is co-educational, and manned by one of the best faculties that can be found in any part of the United States. Dr. L. L. Hobbs is the efficient president. We had been kindly invited to make an address before the 216th annual session of the North Carolina Yearly Meeting of Friends, held August 6-8, and never at any time or in any place did we receive a heartier welcome than was given to us and our message upon this occasion. The charm of the place, the hospitality of those in charge, the generous response to our words will long linger with us. It seems but fitting that here where the roar of battle was once heard the Friends should hold the grounds, as the advocates and defenders of peace on earth, and carry on in the Southland their great educational work. Here also we obtained a good list of members for our North Carolina society.

RED SPRINGS.

Right in the midst of a Scotch settlement, where the "Maes" are numerous, the Presbyterians wisely founded the Red Spring College for young women, and under the very efficient work of its president, Dr. C. G. Vardell, it has come to the front of the many educational institutions of the South. A summer convention was planned to be held at this place, and a day set apart (August 15), to be known as "Peace Day." How much we desire that Chautauquas and summer conventions generally would take the hint and arrange for such a day! For this day we were invited to make the address. The people were there from far and near. The meeting was held in the open, in what seemed to be Nature's own amphitheater. It was an inspiring sight to look upon that sea of faces. Never did we have a more attentive audience. We set forth the claims of the World's Peace Movement upon the Church of Jesus Christ, and we can truly say "the people heard us gladly."

As in Dr. Hobbs, of Guilford College, so in Dr. Vardell, of Red Springs College, we found an ardent friend for our great cause. While there is "much land yet to possess," we are thankful to see that North Carolina, through her educators, is coming to the front in behalf of the world's peace.

The Chicago Office.

By Charles E. Beals, Director of Central-West Department.

In anticipation of an ever-increasing demand for literature, the Chicago Society has recently published in pamphlet form Dr. Jenkin Lloyd Jones' "Peace, not War, the School of Heroism," and the Chicago secretary's "From Jungleism to Internationalism," addresses given at the St. Louis Peace Congress. Dr. Thomas Edward Green has put into a pamphlet his great lecture on "The Burden of the Nations," which made such an impression at St. Louis. The report of the Chicago Peace Society, 1913, is another recent publication.

The members of the local society were circularized from the Chicago office concerning the Twentieth Peace Congress, which was held at The Hague in August,